



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

VIA FIRST CLASS MAIL

JUL 28 2011

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RE: MUR 6054  
10-2002, LLC f/k/a Suncoast Ford

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting that 10-2002, LLC f/k/a Suncoast Ford ("Suncoast Ford") may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). See Letter from Kathleen M. Goeth dated February 14, 2011; Letter from Michael Columbo dated March 9, 2011; Letters from Mark L. Ornstein dated February 25 and March 22, 2011. On June 28, 2011, the Commission found reason to believe that Suncoast Ford violated 2 U.S.C. §§ 441a(a) and 441f, provisions of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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You may also request additional information gathered by the Commission in the course of its investigation in this matter. *See Agency Procedure for Disclosure of Documents and Information in the Enforcement Process*, 76 Fed. Reg. 34986 (June 15, 2011).

We look forward to your response.

On behalf of the Commission,



Cynthia L. Bauerly  
Chair

Enclosures  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

In the matter of )  
 ) MUR 6054  
 10-2002 LLC f/k/a Suncoast Ford<sup>1</sup> )

**I. GENERATION OF MATTER**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities.

**II. INTRODUCTION**

This matter concerns campaign contributions received by Vern Buchanan for Congress ("VBFC") during the 2008 election cycle that were reimbursed with the funds of a car dealership in which Representative Vernon Buchanan ("Buchanan") holds, or previously held, a majority ownership interest, specifically, the reimbursement of \$18,400 in contributions to VBFC by 10-2002 LLC f/k/a Suncoast Ford ("Suncoast Ford") in violation of 2 U.S.C. § 441f.

**III. ANALYSIS**

**A. CONTRIBUTIONS IN THE NAME OF ANOTHER**

There is evidence that the operating partner at Suncoast Ford, Gary J. Scarbrough, directed the Suncoast Ford controller to reimburse contributions to VBFC, including Scarbrough's, using dealership funds. The Federal Election Campaign Act of 1971, as amended ("Act"), provides that no person shall make a contribution in the name of another person or knowingly permit his or her name to be used to effect such a

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<sup>1</sup> 10-2002 LLC recently filed a document with the Florida Secretary of State that canceled its use of "Suncoast Ford" as the name of its business.

1 contribution. 2 U.S.C. § 441f. Section 441f prohibits providing money to others to effect  
2 contributions in their names without disclosing the source of the money to the recipient  
3 candidate or committee at the time the contribution is made, and it applies to individuals  
4 as well as incorporated or unincorporated entities. 11 C.F.R. § 110.4(b)(2); 2 U.S.C.  
5 § 431(11) (term "person" includes partnerships and corporations).

6 There is evidence that Suncoast Ford made contributions in the names of others,  
7 specifically, that Scarbrough directed the Suncoast Ford controller, Kenneth Lybarger, to  
8 write a personal contribution check to VBFC and issue reimbursement checks from  
9 Suncoast Ford's account to Scarbrough, Harold H. Glover, III, M. Osman Ally, and  
10 himself. VBFC disclosed that Scarbrough, Glover, Ally, and Lybarger each contributed  
11 \$4,600 in March of 2007. There is evidence that the entries in Suncoast Ford's ledger for  
12 the reimbursements were subsequently questioned by Ed Schmid, an assistant corporate  
13 controller of the Buchanan Automotive Group ("BAG"). There is evidence that Lybarger  
14 explained to Schmid that he was directed to reimburse the contributions. On June 18,  
15 2007, VBFC refunded all \$18,400 of the reimbursed Suncoast Ford employee  
16 contributions. There is evidence that when Lybarger received the refund from VBFC, he  
17 wrote a personal check repaying Suncoast Ford for the reimbursement.

18 There is also evidence that Ed Schmid, in the course of his work for BAG,  
19 reviewed the books of Suncoast Ford and noticed several unusual disbursements to  
20 employees, and that either Lybarger or Scarbrough told him that the disbursements were  
21 reimbursements for contributions to VBFC. There is evidence that Schmid notified one  
22 of his superiors at BAG of what he had found.

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1           There is evidence that Buchanan asked Scarbrough "a few times" to contribute to  
2   VBFC, but Scarbrough did not remember whether Buchanan also asked him to solicit  
3   Suncoast Ford employees to contribute to VBFC. There is also evidence that Scarbrough  
4   did not remember whether he asked his employees to contribute to VBFC, but he "may  
5   have" done so. There is evidence that Scarbrough admitted that he "had some checks cut  
6   back to some people for their contributions to Vern's campaign, and shortly after that, we  
7   found out that we couldn't do that," and that he "probably" asked someone to write the  
8   checks, and the purpose of issuing the Suncoast Ford checks to the contributors was "[t]o  
9   refund the money that they had contributed to the campaign." There is evidence that  
10   Scarbrough intended to repay Suncoast Ford for its reimbursement of his contribution to  
11   VBFC but had not done so before his contribution was refunded. There is evidence that,  
12   after the contributions and reimbursements were made, a person from Buchanan's  
13   business organization named "Ed," who periodically reviewed Suncoast Ford's  
14   accounting, informed Scarbrough that he could not reimburse contributions and that the  
15   contributions had to be refunded.

16           There is evidence that Scarbrough asserted that he did not remember: (a) whose  
17   idea it was to reimburse Suncoast Ford employee contributions to VBFC; (b) whether he  
18   did it of his own accord; or (c) whether someone asked him to have his employees'  
19   contributions reimbursed.

20           In response to the Commission's February 14, 2011, notification letter, Suncoast  
21   Ford stated that it "discovered a mistake was made when the contributions ... were  
22   reimbursed" and that "[u]pon learning of the mistake, VBFC was notified and [VBFC]  
23   took immediate corrective action by refunding the contributions to each individual"

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1 within three months of the reimbursement of the contributions and before the FEC's  
2 involvement. Suncoast Ford Response at 1. Suncoast Ford's Response, therefore, does  
3 not appear to contest the allegation set forth in the notification letters, which allegation  
4 was restated in the Suncoast Ford Response, that Scarbrough directed Lybarger to  
5 reimburse the contributions using Suncoast Ford funds. *See* Suncoast Ford Response  
6 at 1.

7 Consequently, there is reason to believe that 10-2002 LLC f/k/a Suncoast Ford  
8 made contributions totaling \$18,400 in the names of Gary J. Scarbrough, Kenneth  
9 Lybarger, Harold H. Glover, III, and M. Osman Ally in violation of 2 U.S.C. § 441f.

10 **B. EXCESSIVE CONTRIBUTION**  
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12 In the 2008 election cycle, the individual contribution limit for giving to candidate  
13 committees was \$2,300 per election. *See* 2 U.S.C. § 441a(a)(1)(A). The contributions of  
14 a partnership are attributed to both the partners and the partnership itself, that is, the  
15 partnership itself is subject to the contribution limit in effect at the time for individuals.  
16 *See* 11 C.F.R. § 110.1(e). Accordingly, a partnership that reimbursed contributions  
17 totaling more than \$2,300 per election in the 2008 cycle would also have made an  
18 excessive contribution in violation of 2 U.S.C. § 441a(a). Because Suncoast Ford is  
19 taxed as a partnership and, acting through Scarbrough, reimbursed \$18,400 in  
20 contributions by Scarbrough and its employees to VBFC during the 2008 election cycle,  
21 there is reason to believe that 10-2002 LLC f/k/a Suncoast Ford violated 2 U.S.C.  
22 § 441a(a) by contributing more than \$2,300 per election in 2007 to VBFC.

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